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C O N F I D E N T I A L SECTION 01 OF 03 BUENOS AIRES 001901

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E.O. 12958: DECL: 08/24/2016

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SUBJECT: ARGENTINA: KIRCHNER POWER GRAB PUSHING OPPOSITION  
UCR TO BREAKING POINT

REF: 05 BUENOS AIRES 01324

Classified By: CDA, a.i., Michael Matera, Reasons 1.4(b) and (d)

11. (SBU) SUMMARY: The century-old Radical Civic Union (UCR) party is facing serious divisions in the run-up to its national convention to be held in Rosario August 25-26 between those who want to accept President Kirchner's call to join his "concertacion" and those who want to remain an opposition party. Kirchner's "concertacion" in practice does not involve a policy debate or differences of opinion and is instead an alliance of Peronists and non-Peronists who have signed onto Kirchner's political program. Despite the prominence of the pro-Kirchner faction members, the vast majority of convention delegates reportedly favor maintaining the UCR as an opposition party, making it unlikely the pro-Kirchner bloc will succeed in their objective of pulling the entire UCR into Kirchner's orbit. It is unclear if the pro-Kirchner faction will even attend the convention. Both sides claim they are not seeking a formal rupture of the party, but it is likely that de facto two parties will emerge, one that will back President Kirchner for re-election and one that will support an opposition candidate in 2007, most likely Roberto Lavagna. END SUMMARY.

12. (SBU) The century-old Radical Civic Union (UCR) party is facing serious divisions in the run-up to its national convention to be held in the city of Rosario August 25-26 between those who want to accept President Kirchner's call to join his "concertacion" and those who want to remain an opposition party. (For more on the UCR, see reftel.) The pro-Kirchner bloc -- known as the Radicales K or by their favored term, Radicales G (for "government" or the Spanish word for "management") -- includes the majority of the UCR Governors and the most prominent UCR Mayors. The pro-Kirchner bloc met in San Vicente on August 12 and again in Bariloche on August 21 in a show of force in the lead up to the party convention. The national party leadership favor maintaining an opposition stance and have recently advocated supporting former Minister of the Economy Roberto Lavagna's as-yet-unannounced candidacy for President in 2007. (Comment: Kirchner's use of the word "concertacion" is a reference to Chile's governing coalition of parties. Unlike Chile's example, however, Kirchner's concertacion in practice

does not allow for differences of opinion or a policy debate and is instead an alliance of Peronists and non-Peronists who have signed onto Kirchner's political program. End Comment.)

13. (SBU) Despite the prominence of the Radicales K members, the vast majority of the party convention delegates reportedly favor maintaining the UCR as an opposition party, making it unlikely the pro-Kirchner bloc will succeed in their objective of pulling the entire UCR into Kirchner's orbit. It is unclear if the Radicales K will even attend the convention. After first threatening to boycott the event, then announcing last week they would attend, on August 23 several leading Radicales K said that the faction would not in fact attend. Kirchner reportedly told the group, "No one goes where they will lose." Press reporting indicated that the UCR Governors of Mendoza, Corrientes and Catamarca were still considering attending the convention. (Comment: Both sides claim they are not seeking a formal rupture of the party, but it is likely that de facto two parties will emerge after the convention, one that will back President Kirchner for re-election and one that will support an opposition candidate in 2007, most likely Roberto Lavagna. End Comment.)

14. (SBU) Leading Radical K, San Isidro Mayor Gustavo Posse, told the ADCM on August 18 that his faction is aligning with President Kirchner because of their need for Kirchner's support in order to govern. Posse said it is no coincidence that the pro-Kirchner bloc is composed of most of the UCR leaders that govern significant pieces of territory. "There are no real political parties anymore in Argentina. Our only option is to join with Kirchner in governing the country." Posse said his faction would seek to get the party convention to approve the freedom of conscience for UCR members to

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support whoever they wanted for President next year. (Note: Argentina's odd tax system that gives the national government control over the majority of the tax receipts, while obligating the provinces and municipalities with the majority of the expenditures, gives the national government enormous power over provincial and local leaders. With the weakness of the UCR and the opposition writ large at the national level, this power has been accentuated. End Note.)

15. (SBU) Leader of the Buenos Aires City UCR and prominent member of the pro-opposition bloc, Jesus Rodriguez told the ADCM on August 16 that the Radicales K did not represent the majority of the party and will lack influence at the party convention. Rodriguez said that 80 percent of the delegates support the national party's position on maintaining the UCR as an opposition party. Rodriguez also said that the party convention would not formally endorse Lavagna for President, as the selection of candidates would be decided at a later date. Rodriguez dismissed the recent meetings of the Radicales K as a "photo op" that did not threaten the UCR national leadership. Rodriguez reported that the convention would not approve freedom of conscience for next year's presidential campaign and would also affirm the opposition stance of the party.

16. (SBU) Many of the Radicales K leaders have already so thoroughly aligned themselves with President Kirchner that it is difficult to view them as anything but members of Kirchner's Victory Front (FPV). Mendoza Governor Julio Cobos in particular has been publicly proclaiming his allegiance to Kirchner in recent public events with Kirchner and Cabinet Chief Alberto Fernandez. Cobos is reportedly a strong candidate to be President Kirchner's vice presidential running mate in 2007. (Note: A Peronist president taking a Radical running mate is not without precedent, as Juan Peron named a dissident UCR leader as his vice presidential candidate when he first ran for President in 1946. End Note.)

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COMMENT  
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¶7. (C) In his obsessive pursuit to accumulate power, Kirchner has taken advantage of the weakness of the only opposition party with a nationwide structure and pushed it to the brink of rupture. Kirchner did not create the UCR's weakness, nor many of its divisions, but he has skillfully utilized his power over the purse strings to force UCR Governors and Mayors to fall into line behind him. Kirchner and his allies have recently stepped up the pressure on the national UCR leadership by flaunting their alliance with the Radicales K and by re-igniting a six-year-old corruption scandal that occurred when UCR President Fernando de la Rúa was President.

¶8. (C) In a country with already weak democratic institutions and a lack of a strong political opposition, the crisis within the UCR further weakens Argentina's democratic system. The UCR is the only opposition party that has the nationwide network of poll workers that would allow an opposition presidential candidate to compete fairly with President Kirchner in 2007.

¶9. (C) Kirchner's recent command to his new Radical allies to boycott the party convention means that the differences within the UCR may not be debated at the party gathering. This would be a serious setback for what may be argued is the only true institutional democratic party that Argentina has ever had and would ensure the split of the UCR into pro-Kirchner and pro-opposition parties. Kirchner appears destined to inherit the most significant remaining leaders in the party, making it even more difficult for the UCR to recover from its five-year tailspin that began during the economic crisis in 2001.

¶10. (C) The UCR has split several times in the past and recovered, but this split is more serious, as both factions

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seek their salvation in one of two Peronist leaders -- President Kirchner and Roberto Lavagna. Past splits always involved differing UCR leaders and political programs, such as the split between the followers of Hipolito Yrigoyen and Marcelo T. de Alvear in 1928, and the fracture in 1956 between the supporters of Arturo Frondizi and Ricardo Balbin.

The current split lacks strong leaders with a national following and the principal conflict is whether or not to accept incorporation into Peronist President Kirchner's political machine, rather than substantive policy differences. The trouble with aligning so closely to another political force is that it leaves the aligning party's voter base with no incentive to remain in the party. Why continue to remain a Radical if most the UCR Governors and Mayors have gone over to Kirchner's side? Those Radicales that are seeking to sign onto Kirchner's cause would do well to remember the fate of leading third parties in their day that largely disappeared within a few years of aligning themselves with President de la Rúa (Frepaso) and President Menem (the UcDe). After more than a century of contributions to Argentina's democracy, it could be argued that the UCR may be finally in its death throes, with the principal beneficiary being President Kirchner. END COMMENT.

MATERA